



## **D4 Small Business Council Meeting Minutes**

DATE: 01/08/08

TIME: 1:30 – 2:45pm

LOCATION: District 4, Executive Conference Room, 15-240  
111 Grand Ave., Oakland, CA

### **D4 CALTRANS STAFF PRESENT**

**Bijan Sartipi**, District Director

**Dan McElhinney**, Chief Deputy District Director

**Tony Anziano**, Toll Bridge Program Manager

**Lenka Culik-Caro**, Deputy District Director,  
Design

**Usen Inyang**, Deputy District Director,  
Maintenance

**Dan Hess**, Deputy District Director, Administration

**Stewart Ng**, Deputy District Director, P/PM

**Steve Whipple**, Construction

**Kim Le**, Chief, Maintenance

**Stanley Ng**, Maintenance

**Brian White**, Chief, OBM /Small Business Liaison

**Trinity Nguyen**, Chief, Consultant Services

**Romy Fuentes**, Consultant Services

**Augusta Solano**, Consultant Services

**Sylvia Fung**, Chief, Local Assistance

**George Crosby**, Local Assistance

**Kim Byrne**, Office of Business Management

**Adriana Harris**, Small Business Branch

### **HQ & AGENCY STAFF PRESENT**

**Olivia Fonseca**, Deputy Director, HQ Civil Rights  
(via telephone)

### **COUNCIL MEMBERS PRESENT**

**Arvin Chaudhary**, CELSOC

**Jesus Vargas**, Hispanic Chamber of Commerce

**Eddy Lau**, Asian American Architects &  
Engineers

**Peter Ramirez**, Service Disabled Veteran Owned  
Corporation

### **GUESTS**

**Ken Rice**, Summit Associates

**Paul Pendergast**, Pendergast & Assoc.

**Moses De Los Reyes**, Alameda County Public  
Works Agency

## **I. Introductions**

District Director Bijan Sartipi chaired the meeting of the January Small Business Council. He welcomed everyone, and the meeting attendees introduced themselves. Mr. Sartipi noted that Caltrans District 4 had an eventful start in 2008 with the January storms and the bridge incident in the Bay. At the end of 2007, District 4 had 147 construction contracts ongoing valued at \$6.4 billion. He went on to say that with the opening of the Benicia Bridge and completion of the Skyway in February, about \$2 billion will be taken

out from District 4 construction work, but bond projects are anticipated to make up for some of the capital improvements projects that are going off-line. Mr. Sartipi said that he looks forward to working with the Small Business Council in 2008 in the interest of delivering on all projects as promised and making sure that Caltrans increases use of small business.

## **II. Approval of November Minutes**

### **November 14, 2007 Meeting Minutes:**

**Motion:** Mr. Lau; **Second:** Mr. Chaudhary; **Opposed:** None; **Approved:** By consensus

## **III. District 4 Updates**

### **Construction Update:**

Mr. Whipple referred to the spreadsheets "Forecast of Upcoming Construction Projects in District 4 as of December 31, 2007" and "Awarded Projects in District 4 to December 31, 2007" contained in the meeting folders to brief the council on this topic. He noted that Construction is in its slow time of the year, and only one job (Bleyco Project # 010901) is awaiting award right now. Eight projects are opening for bid this month. Mr. Whipple pointed out that page two of the "Forecast" spreadsheet did not show DVBE Certs and said that Construction would send an update if there was interest; Mr. Ramirez asked for these updates. Mr. Sartipi asked that Construction send via email to all SBC council members updates to the "DVBE Certs" column. Mr. Ramirez also asked for an update on the Project # 010901. With regard to the spreadsheet "Awarded Projects in District 4 to December 31, 2007," Mr. Sartipi explained that its purpose is to give the council an idea of how the contractors are meeting their various goals on their contracts. Mr. Vargas asked a question about DVBE achievements by MCM Construction Inc's on their awarded projects, and Mr. Anziano requested to delay answering until the Toll Bridge part of the agenda because he has a handout for everyone.

### **Maintenance Update:**

Mr. Stanley Ng referred to charts showing the percentage of SBE on Director's and District Director's Emergency Force Accounts and Director's Emergency Informal Bids to update the council on this topic. On the "Director's Emergency Force Account" chart, Mr. Ng noted that 78% of the spending went to SBEs and that the non-SBE spending was related to the Cosco Busan ship collision incident. Mr. Ramirez asked if there was DVBE information on the \$9 million in Director's Emergency Force Account spending, and Mr. Ng replied that this was prime contractor information. In response to Mr. Ramirez's question, Mr. Sartipi asked that Mr. Inyang and Mr. Ng research whether any of the subcontractors on the \$9 million in Director's Emergency Force Account spending were DVBEs [**Action Item #1008**]. Assuming that there is no DVBE participation on these contracts, Mr. Lau asked if it would be possible to award contracts to DVBEs to make up the shortfall, and Mr. Sartipi replied that it is possible. Mr. Lau requested that in these situations in the future Caltrans consider awarding contracts to DVBEs. Mr. Sartipi noted that this topic would be covered during Ms. Culik-Caro's Minor B presentation. Referring to the "District Director's Emergency Force Accounts" chart, 72% of the spending went to SBEs. Mr. Vargas asked why Coast Construction has gotten three contracts, the highest number awarded, and Mr. Ng replied that Coast Construction was available to do the work and was located near slide sites. Referring to the next chart, Mr. Ng explained that 100% of the Director's Emergency Informal Bid spending went to SBEs. Mr. Lau asked for an explanation of the difference between Minor Bs and Emergency Informal Bids, especially regarding the need for spending limits on one but not the other. Mr. Whipple replied that a significant difference between Emergency Force Accounts/Emergency Informal Bids and Minor Bs is

that force accounts and informal bids result from unforeseen emergencies, while the normal Minor Bs are more planned. Next, Mr. Ng reported that Maintenance Warehouse purchases from small businesses for 2<sup>nd</sup> quarter of fiscal year 2007-2008 totaled \$223,000.

**Action Item # 1008** for Mr. Inyang or Mr. Stanley Ng

**Design Update:**

Ms. Culik-Caro referred to the spreadsheet “Proposed Minor B Projects for Small Business, FY 07/08” to update the council on this topic. Ms. Culik-Caro explained that the six EAs listed will go through the simplified process. The simplified process entails calling potential bidders and using the script that had been prepared by Maintenance to make sure all potential bidders are getting the same information, with the goal being to get at least 6 potential bidders. Mr. Lau asked if the responsibility for handling the bidding process had shifted from Maintenance to Design, and Mr. Sartipi replied that it is the type of project to be awarded that determines which office handles the bidding process, and the district had decided to add more variety in the types of projects. Because Maintenance offers only landscape projects, many could not be awarded. The contracts being offered under Design, however, are still small contracts under \$131,000 but have more variety in type of work. Mr. Vargas asked kind of work was occurring in the “ADA Park and Ride Lot Modification,” and Ms. Culik-Caro answered that the job entails smoothing of the pavement to get rid of irregularities and some ramp modification.

**Architecture & Engineering (A&E) Update:**

Mr. Fuentes referred to the spreadsheets “DVBE Status Update 01/08/08,” “DBE Status Quarterly Update 01/08/08,” “SBE Status Quarterly Update 01/08/08,” “Recent and Upcoming Architectural and Engineering Contracts (update: 01/08/08),” and “Recent and Upcoming Non-Architectural and Engineering Contracts (update: 01/08/08)” in the meeting folders to brief the council on this topic. On the “Recent and Upcoming Architectural and Engineering Contracts (update: 01/08/08)” spreadsheet, he drew attention to the most recent award of contract #04A2938 to WRECO, which is a D4 Calmentor member and a DBE. Regarding contract #04A2968 (HNTB), Mr. Chaudhary asked how many submittals were received, and Mr. Fuentes replied that there were two submittals. Mr. Lau asked if the contract had been awarded yet, and Ms. Nguyen replied that it had not. Mr. Lau commented that he heard from a number of small business owners at the pre-proposal meeting that there is a perception that the contract is fixed and that HNTB does not allow any new firms on the team. He said he is not sure if this is true and that it remains to be seen, but if is the case, he is concerned that the process is not fair to small business and requested that the District look into this. Mr. Anziano responded to this point. First, he said that he was disappointed that there were only two proposals. Second, in terms of responsiveness to small business goals, he said that he did see new names on the HNTB list, but of course it will remain to be seen. He pledged his commitment to do everything he can and noted that Caltrans has leverage because they are issuing the task orders. His intention is to get as close to the 50% small business usage goal as possible, and he wants to see some new people involved. Mr. Sartipi reminded the council that there was a lot of discussion about breaking down this \$25 million contract into smaller pieces, but there were reasons for keeping it as large as it is; however, there have been changes made to benefit small business, such as raising the goal from 25% to 50%. Mr. Sartipi assured the council that Mr. Anziano would continue to work with the contractors to make sure that Caltrans’ goals are met in those contracts. Mr. Chaudhary observed that he and other firms appreciated the pre-proposal meeting, which he heard had doubled the number of submittals. Mr. Sartipi highlighted that Caltrans had also had a conference during the advertisement and that this was the first time this was done. Mr. Lau asked to have list of contractors who

attended the outreach, and Ms. Nguyen said she would email that to him. Referring to the spreadsheet “Recent and Upcoming Non-Architectural and Engineering Contracts (update: 01/08/08),” Mr. Fuentes noted that 04-CSU8013 for Meeting Facilitation (CMAS) has gone to Pendergast & Associates and 04A2854 for SBE Construction Coordination Outreach for Toll Bridge Projects would be going to Padilla and Associates and awarded next month; this award had been under protest but was resolved. Mr. Lau asked if Ms. Nguyen could share the details of the protest yet, and she replied that she could not because the contract was not yet executed. Referring to the spreadsheets “DVBE Status Update 01/08/08,” “DBE Status Quarterly Update 01/08/08,” and “SBE Status Quarterly Update 01/08/08,” Mr. Fuentes reported that the overall % DVBE to date is 6%, the overall % SBE is 74%, and the overall % DBE is 20%. These statistics are also available at the Calmentor website located at <http://www.dot.ca.gov/dist4/calmentor/>.

Next, Ms. Nguyen updated the council on the Calmentor Program. She noted that the Calmentor program started in January of 2007. She summarized participation as follows: presently, there are 56 general members, 19 of which are mentors and 37 of which are protégés; there are 34 certified SBEs, 24 certified DBEs, and 1 certified DVBE; 18 of last year’s awarded contracts went to Calmentor members and 5 of the 18 had a SBE or DBE consultant as the prime. Ms. Nguyen highlighted that one of the biggest achievements of the program is having small businesses coming in as prime contractors. She added that the intent of the program is to increase small business participation in transportation projects. Ms. Nguyen acknowledged Mr. Moses De Los Reyes, who was attending the SBC meeting at the invitation of Mr. Vargas. Mr. De Los Reyes is administering the Alameda County Public Work’s Construction mentoring program and has recently expressed interest in co-sponsoring the Calmentor program in District 4. Mr. Sartipi praised Mr. Ng, Ms. Nguyen, and their team on their work on the Calmentor program, noting that the results have been excellent on contracts on the A& E side. He observed that there is more work to be done on the harder and larger part, the capital side and the construction area. On the spreadsheet called “DVBE Status Update 1-8-08,” Mr. Ramirez asked to have the names of the DVBEs listed, and Ms. Nguyen said that she would provide that information [**Action Item # 1108**]. On the spreadsheet called “DBE Status Quarterly Update 1-8-08,” Mr. Vargas highlighted non-SBE/DBE/DVBE firms that had significantly exceeded their DBE goals: PB Powers, Circlepoint, Parsons Brinkerhoff, and Kimley-Horn & Associates. Mr. Anziano added that TRS had exceeded their DVBE goal.

**Action Item # 1108** for Ms. Nguyen.

### **Toll Bridge Program (TBP) Update:**

Mr. Anziano referred to the handout “Small and Local Business Log (Draft) from MCM Construction” to brief the council on this topic. Focusing on MCM, he explained that the handout is a list of the small businesses and DVBEs that MCM has brought on board or is in the process of bringing on board for their construction contract, with the goal of having 25% SBE/DVBE participation. Mr. Anziano emphasized that this is a preliminary list. MCM estimates its total SBE/DVBE/local business usage as being 25%, but when the local businesses are dropped out, the SBE/DVBE usage totals only 20%, which means there is work to do. Mr. Anziano noted that so far he has verified that a total of \$2 million has gone to 9 SBE subcontractors, and Mr. Sartipi observed that Mr. Anziano, while still doing his due diligence, had fulfilled his promise to report to the SBC even one dollar that had gone to a small business. Mr. Sartipi reemphasized that this document is a draft. Mr. Anziano re-emphasized that small business is a topic at every executive meeting with MCM, with the purpose of the meetings being to troubleshoot MCM’s efforts to increase small business usage. Mr. Sartipi reminded the council that this contract originally

came in at zero small business usage, and now it has at least \$2 million in small business usage, and Caltrans using its leverage to increase this. In response to Mr. Chaudhary's questions, Mr. Anziano verified that MCM does have a 3% DVBE requirement, that only 1% SBE/DBE had been verified, and that most of the figures provided by MCM for total SBE/DVBE/Local and SBE/DVBE were projected. Mr. Anziano said that he was interested in peeling the figures apart to track DBE/SBE, and DVBE split. Mr. Chaudhary asked where MCM was on its \$180 million contract, and Mr. Anziano replied the work was 15-20% complete and on schedule. Mr. Vargas asked that Mr. Anziano provide a look-ahead for new opportunities that may be coming up 3 to 6 months down the road, and Mr. Anziano said that he would bring that information to the next council meeting. **[Action Item # 1208]**. Mr. Ramirez asked if CJC Trucking was a DVBE, and Mr. Anziano said that he guesses yes. Mr. Ramirez asked where the \$30 million dollars for DVBE has come from, and Mr. Anziano replied that it came from the combined amount of the joint venture between CJC Trucking and All Counties. The joint venture is described as a combined amount SBE/DVBE but he is not sure how much goes to DVBEs. Mr. Ramirez asked Mr. Anziano to report on where the split falls between SBE and DVBE usage in the CJC Trucking --- All Counties joint venture agreement **[Action Item # 1308]**.

**Action Item # 1208** for Mr. Anziano

**Action Item # 1308** for Mr. Anziano

#### **IV. Review of Past Action Items**

Mr. Hess led a review of the outstanding action items from the 11/16/07 minutes.

**#3107 Complete:** In response to council member LaCome's request to have presented the results of past procurement fairs and a comparison of those results to the most recent procurement fair, Mr. Hess reported that the 11/04/04 fair grossed \$437,238 in purchases, the 4/11/06 fair grossed \$100,000, the 3/21/07 fair grossed \$5,000, and the 10/24/07 fair grossed \$477,456. Mr. Hess noted that purchasing was back up to the level it was in 2004. Mr. Ramirez questioned the cost effectiveness of the procurement fairs. Mr. Sartipi explained that the procurement fairs are only one-day events and that there are other sources of small business purchasing by the district; for example, Maintenance's Warehouse purchases went 100% to small businesses. Mr. Sartipi observed that half a million in one day was a good return: each fair can only bring in about a half million, and the most that a district had ever purchased was around \$600,000 by District 7. Mr. Hess clarified that the \$477,456 figure represents a percentage of the total small business purchases made by District 4. He explained that in his quarterly report the entire picture of small business spending is captured. In response to a request by Mr. Ramirez, Mr. Hess said that he would email this information to Mr. Ramirez. Mr. Sartipi acknowledged that Caltrans staff does put a lot of time into the procurement fairs, but he explained that staff time would be spent one way or another on purchasing; it is not an added expense. Mr. Sartipi disagreed that cost was disproportionate. Ms. Fonseca reminded the council that the original intent of procurement fairs was to introduce buyers to businesses and make connections, with the one-day event being an introduction. Ms. Fonseca explained that, in addition to making connections, there is also value in the procurement fairs because businesses are making money. Mr. Sartipi said that in some of the fairs, Caltrans invites other agencies to join Caltrans, so small business may benefit from the procurement fair but this benefit is not reflected in Caltrans' figures. Mr. Vargas asked if the companies reflected in the statistics were all small businesses, and Mr. White replied that they were 100% certified. Ms. Fonseca added that there would be a procurement fair on January 22, 2008 at headquarters and she would send a flyer to Brian to share with everyone.

## **V. New Business**

Mr. Sartipi asked the members if there was any new business they would like to bring up. Mr. Lau asked if credentials for the D4 SBC members would be checked as Statewide SBC credentials are being checked in accordance with Ms. Fonseca's November 14th memo, and he encouraged Mr. Sartipi to enforce the rules governing membership credentials. Mr. Sartipi said he had intended to enforce these rules at the district level. Mr. Lau and other SBC members said that this intent was not clear. Mr. Sartipi asked Mr. White to send an email to any D4 SBC members who were not also Statewide SBC members requesting that they renew their membership in the D4 SBC by verifying their credentials in accordance with Ms. Fonseca's November 13th memo [**Action Item # 1408**]. Mr. White asked if Ms. Fonseca if she had received all of the credential checks from the statewide council members, and Ms. Fonseca said that she would send Mr. Sartipi and Mr. White the letters from those statewide members who were also D4 members and who had fulfilled the credential check. Another matter of new business was brought up by Mr. Vargas. In the spirit of a year-end wrap up for 2007, Mr. Vargas asked for a summary of the year's highlights so that the D4 SBC does not repeat presenters in 2008. Mr. Sartipi asked that the council members help Caltrans staff with that, especially focusing on what went well and what needs improvement [**Action Item # 1508**].

On another subject, Ms. Fonseca explained that construction and A&E will be seeing new language in contracts in accordance with Mr. Coto's AB 761, which states that any state contracts with infrastructure bond money are required to have a 25% small business goal on the contract. She noted that another change for 2008 is that DGS has new instructions for DVBE requirement that places preference on contractors who meet the DVBE goal. Because Caltrans is not meeting its DVBE goal, Ms. Fonseca said that it is possible that Caltrans will raise its DVBE goal to 5% on all state funded contracts in order to catch up by end of year. Ms. Fonseca explained that a third change is that all contracts will have the language describing Department goals. In response to Mr. Lau's question, Ms. Fonseca noted that if bond money is co-mingled with federal aid, federal rules apply but if bond money is co-mingled with other state monies, the 25% rule applies. She reminded the council that AB 761 does not apply to local businesses, only to state agencies. Mr. Sartipi clarified that the 25% goal is not mandated. Mr. Lau asked what the difference between AB 761 and the Executive order, and Ms. Fonseca replied that one was law and one was policy. In addition, AB 761 says that Caltrans must make a good faith effort to awarding 25% to small business. Mr. Lau observed that the burden is placed on Caltrans to do this, rather than on prime contractors.

**Action Item # 1408** for Mr. White  
**Action Item # 1508** for Mr. Hess

## **VI. The Meeting Adjourned at 2:50 P.M.**

Mr. Sartipi announced that the next District 4 SBC Meeting is scheduled for Friday, February 8, 2008 at 9:30 am. Mr. White said that the revised 2008 D4 SBC meeting schedule is included in the folders and had been emailed to all SBC members and Caltrans management and staff.

**REVISED District 4 Small Business Council Meeting Schedule – 2008**

(Changes to the schedule are in **bold red font.**)

| <b>Type Meeting</b>                                | <b>Date/Time</b>                              | <b>Meeting Location</b>                                    |
|--|---|--|
| Monthly Meeting, District 4 Small Business Council | 1/08/08, 1:30 p.m.<br>(Tuesday)               | Exec. Conference Room, District 4 Offices, Oakland         |
| Monthly Meeting, District 4 Small Business Council | 2/08/08, 9:30 a.m.<br>(Friday)                | Exec. Conference Room, District 4 Offices, Oakland         |
| Monthly Meeting, District 4 Small Business Council | 3/11/08, 1:30 p.m.<br>(Tuesday)               | Exec. Conference Room, District 4 Offices, Oakland         |
| Monthly Meeting, District 4 Small Business Council | 4/08/08, 1:30 p.m.<br>(Tuesday)               | Exec. Conference Room, District 4 Offices, Oakland         |
| Monthly Meeting, District 4 Small Business Council | 5/14/08, <b>1:00</b> p.m.                     | <b>Exec. Conference Room</b> , District 4 Offices, Oakland |
| Monthly Meeting, District 4 Small Business Council | 6/11/08, <b>1:00</b> p.m.                     | Exec. Conference Room, District 4 Offices, Oakland         |
| Monthly Meeting, District 4 Small Business Council | 7/09/08, <b>1:00</b> p.m.                     | Exec. Conference Room, District 4 Offices, Oakland         |
| Monthly Meeting, District 4 Small Business Council | 8/13/08, <b>1:00</b> p.m.                     | Exec. Conference Room, District 4 Offices, Oakland         |
| Monthly Meeting, District 4 Small Business Council | 9/09/08, <b>1:00</b> p.m.<br><b>(Tuesday)</b> | Exec. Conference Room, District 4 Offices, Oakland         |
| Monthly Meeting, District 4 Small Business Council | 10/08/08, <b>1:00</b> p.m.                    | Exec. Conference Room, District 4 Offices, Oakland         |
| Monthly Meeting, District 4 Small Business Council | 11/07/08, 9:30 a.m.<br>(Friday)               | Exec. Conference Room, District 4 Offices, Oakland         |
| Monthly Meeting, District 4 Small Business Council | 12/09/08, 1:30 p.m.<br>(Tuesday)              | Exec. Conference Room, District 4 Offices, Oakland         |

*Revised 01/04/08*

**District 4 Small Business Council Action Items as of January 8, 2008:**

| <b>No.</b> | <b>Item</b>  | <b>Assignee</b>              | <b>Date</b> | <b>Status</b> | <b>Comments</b> |
|------------|--|------------------------------|-------------|---------------|-----------------|
| 1008       | In response to Mr. Ramirez's question, Mr. Sartipi asked that Mr. Inyang and Mr. Ng research whether any of the subcontractors on the \$9 million in Director's Emergency Force Account spending were DVBES.   | Mr. Inyang or Mr. Stanley Ng | 1-8-08      | New           |                 |
| 1108       | Mr. Ramirez asked to have the DVBES listed on the spreadsheet called "DVBE Status Update 1-8-08."  | Ms. Nguyen                   | 1-8-08      | New           |                 |
| 1208       | Mr. Vargas asked that Mr. Anziano give a look ahead for new opportunities available from MCM that may be coming up 3 to six months down the road.  | Mr. Anziano                  | 1-8-08      | New           |                 |
| 1308       | Mr. Ramirez asked Mr. Anziano to report on where the split falls between SBE and DVBE usage in the CJC Trucking - All Counties joint venture agreement.  | Mr. Anziano                  | 1-8-08      | New           |                 |
| 1408       | Mr. Sartipi asked Mr. White to send an email to any D4 SBC members who were not also Statewide SBC members requesting that they renew their membership in the D4 SBC by verifying their credentials in accordance with Ms. Fonseca's November 13th memo.   | Mr. White                    | 1-8-08      | New           |                 |
| 1508       | In the spirit of a year-end wrap up for 2007, Mr. Vargas asked for a summary of the year's highlights so that the D4 SBC does not repeat presenters in 2008. Mr. Sartipi asked that the council members help Caltrans staff with that, especially focusing on what went well and what needs improvement. | Mr. Hess                     | 1-8-08      | New           |                 |



### District 4 Small Business Council Items Deferred to Statewide Council

| No.  | Item   | Assignee   | Date    | Status  | Comments   |
|------|--|------------|---------|---------|--|
| 1306 | DDD Hess will follow up with HQ to ascertain services provided by GCAP as per contract received.   | DDD Hess   | 3/8/06  | Ongoing | Reinstated 8/9/06. Contract under review. Council members Guerrero and Altaha will serve on RFP review committee.  |
| 1706 | DDD Hess will examine existing web-based registration for contractors with Office of Civil Rights  | DDD Hess   | 4/12/06 | Ongoing | 8/9/06: Will need additional time for review and analysis.   |
| 3206 | Elevate the concerns of the District 4 Small Business council regarding Caltrans' plan to implement the new insurance limits on January 1, 2007. | DDD Hess   | 9/13/06 | Ongoing | Issue shared with Olivia Fonseca. Update provided on 10/11/06. Statewide SBC issue. Discussion included in 08/16/06 Statewide SBC minutes. Victor Salazar, HQ, is the lead on this issue.  |
| 1607 | Mr. Finney agreed to research whether supply line items may be separated out of Prime contracts.   | DDD Finney | 3/14/07 | Ongoing | DDD Hess will inform Deputy Fonseca on this issue. An e-mail was sent to Deputy Fonseca on 5/16/07. Mr. Hess will follow up on this item at the Statewide SBC meeting on 6/15/07. DDD Louie and Deputy Fonseca have agreed that this is a statewide issue and should be moved to the Statewide SBC |